THE COUNCIL FOR TOBACCO RESEARCH–U.S.A., INC.
110 EAST 59TH STREET
NEW YORK, N. Y. 10022

Original sent to H. Ramm 12/18/72 by PRC

November 30, 1972

Messrs. Thomas F. Ahrensfeld
DeBaun Bryant
Frederick P. Haas
Cyril F. Hetsko
H. C. Roemer

Gentlemen:

Enclosed is a statement with respect to the Literature Retrieval Division of its 1972 budget, its estimated operating expenses for 1972 and its proposed budget for 1973. Certain items in the 1973 budget have been footnoted to indicate the reason for the increase over the same item in the 1972 budget.

When the budget has been approved by each of your five companies, it will be understood that expenditures for the Literature Retrieval Division will not be required to be confined to the various lines of the budget but that there will be authority to spend for the purposes of the Division an overall amount not exceeding the budget total.

Pursuant to the letter agreement between us dated December 28, 1970, it is understood that the billings to each of you for 1973 expenditures will be determined in proportion to your respective sales of domestic cigarettes for 1972 as estimated and published by John C. Maxwell Jr. The report of Mr. Maxwell dated October 30, 1972 gave the following estimates of sales of domestic cigarettes for 1972, resulting in the indicated percentage allocation:

Company	Domestic Cigarettes in Billions	Percentage
American Brands, Inc.	93.11	18.42
Brown & Williamson Tobacco Corporation	94.66	18.73
Liggett & Myers Incorporated	31.08	6.15
Philip Morris Incorporated	110.50	21.86
R. J. Reynolds Tobacco Company	176.13	34.84
	505.48	100.00

Until such time as Mr. Maxwell may revise his estimates for 1972, we will bill each of you in accordance with the foregoing percentages. Should Mr. Maxwell revise his estimates for 1972, subsequent billings for 1973 will be made on the basis of his latest estimates.

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You undoubtedly will be interested in Dr. Giller's letter to me of November 29th, in which he gives a brief summary of the Division's activities during 1972 and outlines the program for 1973.

If you have any questions about the foregoing please contact me.

Please indicate your approval of the proposed 1973 budget for the Literature Retrieval Division and the other understanding set forth above by signing and dating the form of approval on the enclosed copy of this letter and returning it to me.

Sincerely yours,

Henry

H. H. Ramm
President

HHR:ek

encls.

Approved this 19th day
of December 1972.

PHILIP MORRIS INCORPORATED

By Alexander Holtzman

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